



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Internal  
m/021/0008 0002

### Inspection Report Minerals Regulatory Program January 13, 2010

Reviewed:

<b>Mine Name:</b> Iron Mountain	<b>Permit Number:</b> M/021/0008
<b>Operator Name:</b> Palladon	<b>Inspection Date:</b> 9/03/2009
<b>Inspector(s):</b> Tom Munson	<b>Time:</b> 1:00-5:30 PM
<b>Other Participants:</b> Aly Pedersen and Clyde Yates (Palladon), Paul Baker and Steve Schneider (DOGM), Ed Ginouves (BLM) and Terry Snyder (BLM)	<b>Mine Status:</b> Proposed Exp. And Insp.

#### Elements of Inspection

1. Permits, Revisions, Transfer, Bonds
2. Public Safety (shafts, adits, trash, signs, highwalls)
3. Protection of Drainages / Erosion Control
4. Deleterious Material
5. Roads (maintenance, surfacing, dust control, safety)
6. Reclamation
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)
8. Soils
9. Revegetation

#### Evaluated

#### Comment

#### Enforcement

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**Bond Amount:** \$1,481,200.00

**Permit Fees:** Current

**Purpose of Inspection:** Routine inspection.

**Inspection Summary:** The inspection started with a short presentation on the company and its assets and long term potential. Following this was a tour of the main pit area and stockpiles. Everything was idled and the minesite was inactive from a mining and ore shipping standpoint. There were numerous train cars, full of ore, that had been sitting for an extended period and will now have to be turned upside down to remove the ore that has become solidified in the cars.

All the crushing equipment on site belongs to Gilbert and Gilbert. The only equipment to remain is the stacking and loading equipment.

The next sites visited were the Blowout Pit, Blackhawk Pit, Burke Stockpile and the Rex Pit. Photos were taken to document site conditions.

The operator has been bringing in soil from another site and putting it on the waste dump at the Blowout Pit.

#### Conclusions and Recommendations:

Soil being brought in from outside should be stockpiled so it can be used in reclamation rather than being mixed with waste.

The site should be inspected annually.

**Inspector's Signature**

TM:vs

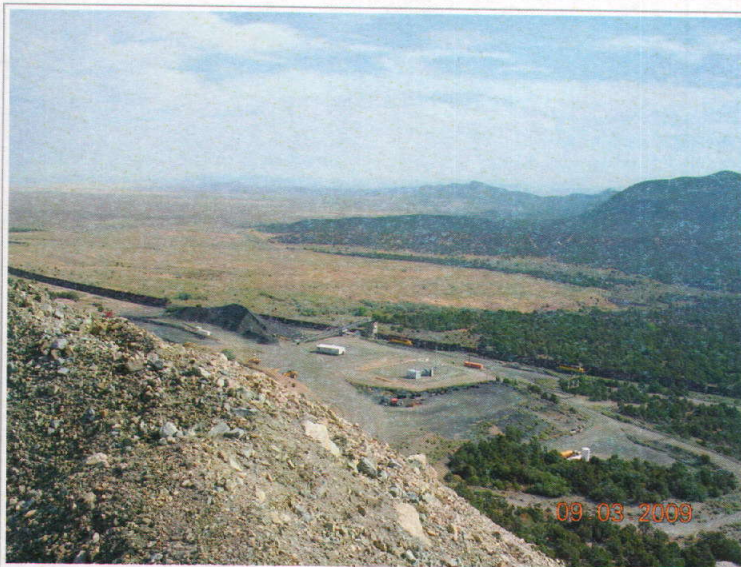
cc: Palladon Iron Corp. 554 S 300 E Ste 250 Salt Lake City, Ut 84111-3509

BLM ed\_ginouves@inbox.com

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loadout



Comstock pit lake



Blowout Pit lake



Burke Pit